



ROBERT SPRAGUE
— OHIO TREASURER —



Electric Fund Revenue Notes

Application for Credit Enhancement

CONTENTS

- 01 Application Form
- 02 Due Diligence Questionnaire
- 04 Required Document Checklist
- 05 Project Feasibility Study Checklist
- 06 Signature Page
- 07 Required Program Language for Authorizing Resolution



**Electric Fund Revenue Notes
Application for Credit Enhancement**

**OHIO TREASURER OF STATE
Ohio Market Access Program – Note Wrap**

This application is only to be used for notes backed by Electric Fund revenue. If the applicant plans to pledge additional revenue streams towards repayment, a supplemental application is also required.

Name and Address of Issuer:		
Type of Issuer (city, village, township):		
Issuer Contact (name, title, phone number and email):		
Purpose of Note Issue:		
Amount of Note Issue:	Amount of New Money:	Amount of Principal Paydown:
Taxable or Tax-Exempt?	Source of Repayment / Pledged Revenue Source? ELECTRIC FUND REVENUE	
Estimated Sale Date:	Estimated Issue / Closing Date:	Estimated Maturity Date:
Bond Counsel Firm:	Bond Counsel Contact (name, phone number and email):	
Underwriter Firm (if applicable):	Underwriter Contact (name, phone number and email):	
Financial Advisor Firm (if applicable):	Financial Advisor Contact (name, phone number and email):	
Paying Agent:	Paying Agent Contact (name, phone number and email):	

For electronic submissions, please limit the total file size of all attachments to 20MB. The Treasurer’s Office cannot accept password-protected zip files. This application is subject to review by the Treasurer for consistency with program guidelines. Final approval of this application will be conditioned upon compliance with program requirements, including appropriate note authorization in a form and substance satisfactory to the Treasurer and execution of a Standby Note Purchase Agreement between and among the Treasurer, Issuer and a Paying Agent.

Due Diligence Questionnaire & Additional Information

The following questionnaire is required from the Issuer in connection with the Issuer's application for credit enhancement from the Treasurer of State's Ohio Market Access Program. Please provide responses to all questions listed below and provide the documentation as attachments in PDF format. Questions may be directed to OMAP@tos.ohio.gov or (614) 466-7752.

INFORMATIONAL QUESTIONS

1. In the following table, list the chief executive officer, chief financial officer, and chief legal officer (or equivalents) along with each individual's phone number and email address.

Name	Title	Contact Information

2. Are there any taxes or other assessments that fund the electric utility? If yes, please provide details on revenue source and the amount of revenue generated by that source in the most recent fiscal year.
3. Excluding the BANs that are the subject of this application, does the applicant plan to issue any new debt or apply for any loans within the next 12 months that are payable from electric utility revenue? If yes, please explain in detail.
4. Has the applicant maintained compliance with debt covenants over the last three years? If there was any non-compliance, please describe the circumstances and actions taken to bring the electric utility back into compliance.

DISCLOSURE QUESTIONS

Additional space appears below to provide detailed answers to these questions. Please submit additional pages if the provided space is insufficient.

1. Has the applicant experienced the failure of a public sale of bonds or BANs within the past three years? If yes, please explain in detail.

2. Are any officers or employees of the applicant under investigation for any negligent or fraudulent activity involving the applicant's financial matters? If yes, please describe in detail.

3. Is the applicant party to any pending litigation that may result in liabilities above and beyond any existing insurance coverage? If yes, please provide a summary of such litigation and provide the name and contact information of the primary attorney representing the Issuer with respect to the litigation.

4. Has the applicant, at any time within the past five years, violated any covenants in any of its continuing disclosure agreements (regardless of the nature of the pledged revenue source)? If yes, please explain in detail.

5. Have there been any material changes to the applicant's financial or economic position since the end of the last fiscal year for which an audit has been provided? (bond issuance, refunding, change in tax base, etc.). If yes, please explain in detail.

6. Has there been any turnover of the applicant's Finance Director or other staff responsible for overseeing the preparation of financial and audit activities of the Issuer?

7. Please disclose any other circumstance or situation which could reasonably affect the decision of a purchaser to purchase the subject obligations or that could reasonably be expected to affect the rate borne by such securities.

Additional space to answer the Disclosure Questions appearing on this page:

REQUIRED DOCUMENT CHECKLIST

Included with application?	
Yes	No

Please submit electronic or scanned copies of each of the following documents:

1. Signed OMAP application in which all questions are answered.
2. The authorizing resolution for the note issuance with the required program language included. If the resolution has yet to be authorized, please provide the most recent draft.
3. A report from the Ohio Municipal Advisory Council for the planned note issuance.
4. A copy of the most recent detailed monthly invoice that the electric utility received from its power provider(s) or joint action agency.
5. Copies of all financial reports filed pursuant to R.C. § 117.38 that pertain to fiscal years for which the Auditor of State has not yet published an audit.
6. Most recent management letter issued to applicant by the Auditor of State (these letters are not available for download on the AOS website).
7. Reports issued within the past two years by credit rating agencies that pertain to the applicant's electric revenue, general obligation or other debt.
8. A summary of all capital and operating leases, and other material contract obligations, and a schedule of payments.
9. Most recent draft of the Standby Note Purchase Agreement and the Bond Counsel Opinion for the note issuance.

**** The application is not considered complete until all documents are attached and all questions answered ****

**** In addition to all the required documents set forth on this sheet, OMAP reserves the right to request that applicants provide additional documentation to facilitate review of the application. ****

PROJECT FEASIBILITY STUDY CHECKLIST

Submit a project feasibility study or consulting engineer report that contains the following information:

Included with application?	
Yes	No

- A. Number of residential, commercial, and industrial customers served by the utility (both inside and outside municipal limits).
- B. Amount of annual revenue derived from sales to residential, commercial, and industrial customers (both inside and outside municipal limits).
- C. The identity of the utility's five largest customers, including annual sales in both dollars and kWh.
- D. Detailed description about the process that must be followed to implement a rate change and collect additional revenue including, but not limited to, who decides on a rate increase, how often those individuals meet, the number of required readings for an ordinance, how long it would take for a new rate to become effective, and how long customers have to pay their bills.
- E. Detailed description of any Power Cost Adjustment (PCA) assessed by the utility including, but not limited to, how the PCA is calculated, how often the PCA can change, and a timeline showing the various steps and number of days it would take for increased generation costs to be reflected in customer invoices.
- F. Detailed descriptions of each of the utility's sources of electricity, including:
 - i. fuel source used to produce power (i.e., coal, natural gas, wind, solar);
 - ii. summary of contractual relationship between the applicant and generation source (i.e., take-or-pay, direct ownership, all requirements);
 - iii. the total amount of the plant's capacity (MW) designated for the applicant; and
 - iv. the resource type from the perspective of the applicant (i.e., base load, intermediate, peaking, etc.)
- G. Table showing the capacity of each of utility's power sources and how they sum to system capacity; peak demand; and planning reserve (all in MW).
- H. Comparison of rates charged by applicant versus nearby investor-owned utility.
- I. Financial statements for the electric utility with at least three years of historical data and three years of projected data. The statements should show the component portions of revenues, expenses, and debt service.

**** The application is not considered complete until all documents are attached and all questions answered ****

**** In addition to all the required documents set forth on this sheet, OMAP reserves the right to request that applicants provide additional documentation to facilitate review of the application. ****

CERTIFICATION

The undersigned hereby certifies on behalf of the Issuer that the foregoing information regarding the Issuer is true and accurate and does not contain any untrue statement of a material fact nor omit a material fact necessary to make the statements made, in light of the facts and circumstances under which they were made, not misleading.

Additionally, the undersigned, on behalf of the Issuer, agrees to payment of all costs associated with participating in the program, including ratings fees and administrative fees as determined by the Treasurer.

Issuer:

Signature of Applicant:

X

Date:

Prepared By:

Preparer's phone and email:

Required Program Language for the Authorizing Resolution

The following two points must be included in the authorizing bond ordinance/resolution of any political subdivision intending to participate in the Ohio Market Access Program (the "Program") offered by the Ohio Treasurer of State (the "Treasurer of State").

1. Inclusion of language authorizing an after-maturity interest rate as established in the materials for that Program cycle.
2. The following language in a separate section of the bond ordinance/resolution:

Section [_]. Ohio Market Access Program

The Standby Note Purchase Agreement is hereby authorized in the form presented to the [BOARD/COUNCIL] with such changes not materially adverse to the Issuer as may be approved by the officers of the Issuer executing that Agreement. The Issuer acknowledges the agreement of the Treasurer of State in the Standby Note Purchase Agreement that, in the event the Issuer is unable to repay the principal amount and accrued and unpaid interest of the Notes at their maturity, whether through its own funds or through the issuance of other obligations of the Issuer, the Treasurer of State agrees (a) to purchase the Notes from the Holders or beneficial owners thereof upon their presentation to the Treasurer of State for such purchase at a price of par plus accrued interest to maturity or (b) to purchase renewal notes of the Issuer in a principal amount not greater than the principal amount of the Notes plus interest due at maturity, with such renewal notes bearing interest at a rate of [RATE ESTABLISHED IN PROGRAM MATERIALS], maturing not more than one year after the date of their issuance, and being prepayable at any time with 30 days' notice, provided that in connection with the Treasurer of State's purchase of such renewal notes the Issuer shall deliver to the Treasurer of State an unqualified opinion of nationally recognized bond counsel that (i) such renewal notes are the legal, valid and binding general obligations of the Issuer, and the principal of and interest on such renewal notes, unless paid from other sources, are to be paid from the proceeds of the levy of ad valorem taxes [within the ten-mill limitation imposed by law][unlimited as to amount or rate] on all property subject to ad valorem taxes levied by the Issuer and (ii) interest on the renewal notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code as amended to the same extent that interest on the Notes is so excluded.

Such officers signing the Notes are authorized to take all actions that may in their judgment reasonably be necessary to provide for such an Agreement, including but not limited to the inclusion of a notation on the form of the Notes providing notice to the Holders or beneficial owners of the existence of such Agreement and providing instructions to such Holders or beneficial owners regarding the presentation of the Note for purchase by the Treasurer of State at stated maturity.

3. If the bond ordinance/resolution includes the form of the Note, the following legend must be included on the face of the Note:

The holder of this Note hereby consents to the registration of this Note in the name of the Treasurer of the State of Ohio (the "Treasurer") upon the receipt from the Treasurer of the full payment of principal and interest due at maturity on such Note on or before the date of maturity, provided that, in the case of a note held in a book-entry system by a depository, the interest of the Treasurer shall be noted in accordance with the procedures established by the Depository. In the case of an unregistered Note, such registration in the name of the Treasurer of State shall be demonstrated by a notation on the face of this Note of such transfer of ownership.